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### C. DEPENDENT TIME ELEMENT

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the PERIOD OF LIABILITY directly resulting from physical loss or damage of the type insured to property of the type insured at Dependent Time Element Locations located within the TERRITORY of this Policy.

1) As respects DEPENDENT TIME ELEMENT:

- a) The Insured will influence and cooperate with the Dependent Time Element Location in every way and take any reasonable and necessary action, including the use of other machinery, supplies or locations, to effect mitigation of the loss payable hereunder.
- b) In determining the indemnity payable hereunder, the Company will consider the amount of income derived before the date of physical loss or damage and the probable amount of income after the date of loss or damage.
- c) TIME ELEMENT EXCLUSIONS C does not apply.

2) DEPENDENT TIME ELEMENT Exclusions: As respects DEPENDENT TIME ELEMENT, the following additional exclusions apply:

This Policy does not insure loss resulting from:

- a) lack of incoming or outgoing transmission of voice, data or video.
- b) physical loss or damage caused by or resulting from Terrorism, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence of loss.

3) References and Application. The following term(s) wherever used in this Policy means:

a) Dependent Time Element Location:

(i) Any Location:

- (a) of a direct customer, supplier, contract manufacturer or contract service provider to the Insured.
- (b) of any company under a royalty, licensing fee or commission agreement with the Insured.

(ii) A Dependent Time Element Location does not include Locations of any company supplying to, or receiving from, the Insured Location, electricity, fuel, gas, water, steam, refrigeration, sewage, voice, data or video.



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#### D. EXTENDED PERIOD OF LIABILITY

The BUSINESS INTERRUPTION coverage is extended to cover the reduction in sales resulting from:

- 1) the interruption of business as covered by BUSINESS INTERRUPTION;
- 2) for such additional length of time as would be required with the exercise of due diligence and dispatch to restore the Insured's business to the condition that would have existed had no loss occurred; and
- 3) commencing with the date on which the liability of the Company for loss resulting from interruption of business would terminate if this Extension had not been included herein.

However, this Extension does not apply to BUSINESS INTERRUPTION loss resulting from physical loss or damage caused by or resulting from Terrorism.

EXTENDED PERIOD OF LIABILITY Exclusions: As respects EXTENDED PERIOD OF LIABILITY, the TIME ELEMENT EXCLUSIONS B of this section does not apply and the following applies instead:

This Policy does not insure against any increase in loss due to fines or damages for breach of contract or for late or noncompletion of orders, or penalties of any nature.

Coverage under this Extension for the reduction in sales due to contract cancellation will include only those sales that would have been earned under the contract during the extended period of liability.

Coverage under this Extension does not apply for more than the number of consecutive days shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section.

#### E. INGRESS/EGRESS

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured due to the necessary interruption of the Insured's business due to physical prevention of ingress to or egress from an Insured Location, whether or not the premises or property of the Insured is damaged, provided that such prevention is a direct result of physical damage of the type insured by this Policy, to the kind of property not excluded by this Policy.

INGRESS/EGRESS Exclusions: As respects INGRESS/EGRESS, the following exclusions are applicable:

This Policy does not insure loss resulting from:

- 1) lack of incoming or outgoing service consisting of electric, fuel, gas, water, steam, refrigerant, sewerage and voice, data or video.



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- 2) picketing or other action by strikers except for physical damage not excluded by this Policy.
- 3) physical loss or damage caused by or resulting from Terrorism, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss.

This Policy does not provide coverage under this Extension for more than the number of consecutive days shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section.

#### **F. ON PREMISES SERVICES**

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the PERIOD OF LIABILITY directly resulting from physical loss or damage of the type insured to the following property located within 1,000 feet of the Insured Location:

- 1) Electrical equipment and equipment used for the transmission of voice, data or video.
- 2) Electrical, fuel, gas, water, steam, refrigeration, sewerage, voice, data or video transmission lines.

#### **G. SERVICE INTERRUPTION TIME ELEMENT**

- 1) This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the Period of Service Interruption at Insured Locations when the loss is caused by the interruption of incoming services consisting of electricity, gas, fuel, steam, water, refrigeration or from the lack of outgoing sewerage service by reason of any accidental occurrence to the facilities of the supplier of such service located within this Policy's TERRITORY, that immediately prevents in whole or in part the delivery of such usable services.
- 2) This Extension will apply when the Period of Service Interruption is in excess of the time shown as Waiting Period in the WAITING PERIOD clause of the DECLARATIONS section.
- 3) The exclusions in the EXCLUSIONS clause of the PROPERTY DAMAGE section do not apply to SERVICE INTERRUPTION TIME ELEMENT coverage except for:
  - a) A1, A2, A3, A6, B1, B2, B5, D1, and
  - b) B4 with respect to incoming or outgoing voice, data or video.

In addition, as respects SERVICE INTERRUPTION TIME ELEMENT coverage the following exclusion applies:



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This Policy excludes loss or damage directly or indirectly caused by or resulting from the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:

- a) Terrorism.
- 4) Additional General Provisions:
  - a) The Insured will immediately notify the suppliers of services of any interruption of such services.
  - b) The Company will not be liable if the interruption of such services is caused directly or indirectly by the failure of the Insured to comply with the terms and conditions of any contracts the Insured has for the supply of such specified services.
- 5) References and Application. The following term(s) means:
  - a) Period of Service Interruption:
    - (i) The period starting with the time when an interruption of specified services occurs; and ending when with due diligence and dispatch the service could be wholly restored and the Location receiving the service could or would have resumed normal operations following the restorations of service under the same or equivalent physical and operating conditions as provided by the PERIOD OF LIABILITY clause in this section.
    - (ii) The Period of Service Interruption is limited to only those hours during which the Insured would or could have used service(s) if it had been available.
    - (iii) The Period of Service Interruption does not extend to include the interruption of operations caused by any reason other than interruption of the specified service(s).

#### 4. TIME ELEMENT COVERAGE EXTENSIONS – GROUP B

##### A. COMPUTER SYSTEMS–NON PHYSICAL DAMAGE

- 1) This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the Period of Interruption directly resulting from the failure of the Insured's Electronic Data Processing Equipment or Media to operate, provided such failure is the direct result of a malicious act directed at the NAMED INSURED.
- 2) This Extension of coverage will apply when the Period of Interruption is in excess of the time shown as Waiting Period in the WAITING PERIOD clause of the DECLARATIONS section.
- 3) References and Application. The following term(s) means:
  - a) Period of Interruption:



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(i) The period starting when the Insured's Electronic Data Processing Equipment or Media fails to operate and ending when with due diligence and dispatch, the Insured's Electronic Data Processing Equipment or Media could be restored to the same or equivalent operating condition that existed prior to the failure.

(ii) The Period of Interruption does not include the additional time to make changes to the Insured's Electronic Data Processing Equipment or Media.

#### **B. PROTECTION AND PRESERVATION OF PROPERTY – TIME ELEMENT**

This Policy covers the Actual Loss Sustained by the Insured for a period of time not to exceed 48 hours prior to and 48 hours after the Insured first taking reasonable action for the temporary protection and preservation of property insured by this Policy provided such action is necessary to prevent immediately impending physical loss or damage insured by this Policy at such insured property.

This Extension does not cover the Actual Loss Sustained by the Insured to temporarily protect or preserve insured property from actual, or to prevent immediately impending, physical loss or damage covered by TERRORISM coverage as provided in the PROPERTY DAMAGE section.

This Extension is subject to the deductible provisions that would have applied had the physical loss or damage occurred.

#### **C. RELATED REPORTED VALUES**

If reported TIME ELEMENT values include:

- 1) locations used by the Insured (such as branch stores, sales outlets and other plants) but not listed on a schedule under this Policy; and
- 2) a TIME ELEMENT loss would result at such locations,
- 3) from insured physical loss or damage at an Insured Location,

then this Policy provides coverage for such resulting TIME ELEMENT loss in accordance with the coverage applicable at such Insured Location.

#### **D. RESEARCH AND DEVELOPMENT**

The BUSINESS INTERRUPTION coverage is extended to insure the Actual Loss Sustained by the Insured of continuing fixed charges directly attributable to the interruption of research and development activities, that in themselves would not have produced income during the PERIOD OF LIABILITY.

The PERIOD OF LIABILITY for this TIME ELEMENT COVERAGE EXTENSION will be the period from the time of direct physical loss or damage of the type insured by this



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Policy to the time when the property could be repaired or replaced and made ready for operations.

#### E. SOFT COSTS

This Policy covers the Actual Loss Sustained incurred by the Insured of Soft Costs during the PERIOD OF LIABILITY arising out of the delay of completion of buildings and additions under construction directly resulting from physical loss or damage of the type insured to insured property under construction at an Insured Location.

1) References and Application. The following term(s) wherever used in this Policy means:

a) Soft Costs:

Expenses over and above normal expenses at Locations undergoing renovation or in the course of construction limited to the following:

- (i) Construction loan fees - the additional cost incurred to rearrange loans necessary for the completion of construction, repairs or reconstruction including; the cost to arrange refinancing, accounting work necessary to restructure financing, legal work necessary to prepare new documents, charges by the lenders for the extension or renewal of loans necessary.
- (ii) Commitment fees, leasing and marketing expenses - The cost of returning any commitment fees received from prospective tenant(s) or purchaser(s), the cost of re-leasing and marketing due to loss of tenant(s) or purchaser(s).
- (iii) Additional fees - for architects, engineers, consultants, attorneys and accountants needed for the completion of construction, repairs or reconstruction.
- (iv) Carrying costs - property taxes, building permits, additional interest on loans, realty taxes and insurance premiums.

#### 5. PERIOD OF LIABILITY

A. The PERIOD OF LIABILITY applying to all TIME ELEMENT COVERAGES, except LEASEHOLD INTEREST and as shown below, or if otherwise provided under any TIME ELEMENT COVERAGE EXTENSION, and subject to any Time Limit provided in the LIMITS OF LIABILITY clause in the DECLARATIONS section, is as follows:

1) For building and equipment, the period:

- a) starting from the time of physical loss or damage of the type insured against; and
- b) ending when with due diligence and dispatch the building and equipment could be:
  - (i) repaired or replaced; and
  - (ii) made ready for operations,



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under the same or equivalent physical and operating conditions that existed prior to the damage.

- c) not to be limited by the expiration of this Policy.
- 2) For building and equipment under construction:
  - a) the equivalent of the above period of time will be applied to the level of business that would have been reasonably achieved after construction and startup would have been completed had no physical damage happened; and
  - b) due consideration will be given to the actual experience of the business compiled after completion of the construction and startup.
- 3) For stock-in-process and mercantile stock, including finished goods not manufactured by the Insured, the time required with the exercise of due diligence and dispatch:
  - a) to restore stock in process to the same state of manufacture in which it stood at the inception of the interruption of production or suspension of business operations or services; and
  - b) to replace physically damaged mercantile stock.

This item does not apply to RENTAL INSURANCE.

- 4) For raw materials and supplies, the period of time:
  - a) of actual interruption of production or suspension of operations or services resulting from the inability to get suitable raw materials and supplies to replace similar ones damaged; but
  - b) limited to that period for which the damaged raw materials and supplies would have supplied operating needs.
- 5) If water:
  - a) used for any manufacturing purpose, including but not limited to as a raw material or for power;
  - b) stored behind dams or in reservoirs; and
  - c) on any Insured Location,

is released as the result of physical damage of the type insured against under this Policy to such dam, reservoir or connected equipment, the Company's liability for the actual interruption of production or suspension of operations or services due to inadequate water supply will not extend beyond 30 consecutive days after the damaged dam, reservoir or connected equipment has been repaired or replaced.





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This item does not apply to RENTAL INSURANCE.

- 6) For physically damaged exposed films, records, manuscripts and drawings, the time required to copy from backups or from originals of a previous generation. This time does not include research, engineering or any other time necessary to restore or recreate lost information.

This item does not apply to RENTAL INSURANCE.

- 7) For physically damaged or destroyed property covered under DATA, PROGRAMS OR SOFTWARE, the time to recreate or restore including the time for researching or engineering lost information.

This item does not apply to RENTAL INSURANCE.

- B. The PERIOD OF LIABILITY does not include any additional time due to the Insured's inability to resume operations for any reason, including but not limited to:

- 1) making changes to equipment.
- 2) making changes to the buildings or structures except as provided in the DEMOLITION AND INCREASED COST OF CONSTRUCTION clause in the PROPERTY DAMAGE section.
- 3) restaffing or retraining employees.

If two or more Periods of Liability apply such periods will not be cumulative.

## 6. TIME ELEMENT EXCLUSIONS

In addition to the exclusions elsewhere in this Policy, the following exclusions apply to TIME ELEMENT loss:

This Policy does not insure against:

- A. Any loss during any idle period, including but not limited to when production, operation, service or delivery or receipt of goods would cease, or would not have taken place or would have been prevented due to:

- 1) physical loss or damage not insured by this Policy on or off of the Insured Location.
- 2) planned or rescheduled shutdown.
- 3) strikes or other work stoppage.
- 4) any other reason other than physical loss or damage insured by this Policy.

- B. Any increase in loss due to:





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- 1) suspension, cancellation or lapse of any lease, contract, license or orders.
  - 2) fines or damages for breach of contract or for late or noncompletion of orders.
  - 3) for penalties of any nature.
  - 4) any other consequential or remote loss.
- C. Any loss resulting from loss or damage to finished goods manufactured by the Insured, nor the time required for their reproduction.
- D. Any loss resulting from the Actual Cash Value portion of direct physical loss or damage by fire caused by or resulting from Terrorism.





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## LOSS ADJUSTMENT AND SETTLEMENT - SECTION D

### 1. LOSS ADJUSTMENT/PAYABLE

Loss, if any, will be adjusted with and payable to Enterprise Asset Management, Inc., or as may be directed by Enterprise Asset Management, Inc. Additional insured interests will also be included in loss payment as their interests may appear when named as additional named insured, lender, mortgagee and/or loss payee in the Certificates of Insurance on file with the Company or named below.

### 2. CURRENCY FOR LOSS PAYMENT

Losses will be adjusted and paid in the currency of the United States of America.

### 3. VALUATION

Adjustment of the physical loss amount under this Policy will be computed as of the date of loss at the location of the loss, and for no more than the interest of the Insured, subject to the following:

- A. On stock in process, the value of raw materials and labor expended plus the proper proportion of overhead charges.
- B. On finished goods manufactured by the Insured, the regular cash selling price at the Location where the loss happens, less all discounts and charges to which the finished goods would have been subject had no loss happened.
- C. On raw materials, supplies and other merchandise not manufactured by the Insured:
  - 1) if repaired or replaced, the actual expenditure incurred in repairing or replacing the damaged or destroyed property; or
  - 2) if not repaired or replaced, the Actual Cash Value.
- D. On exposed films, records, manuscripts and drawings, that are not Valuable Papers and Records, the value blank plus the cost of copying information from back-up or from originals of a previous generation. These costs will not include research, engineering or any costs of restoring or recreating lost information.
- E. On property covered under DEFERRED PAYMENTS, the lesser of the:
  - 1) total amount of unpaid installments less finance charges.
  - 2) Actual Cash Value of the property at the time of loss.
  - 3) cost to repair or replace with material of like size, kind and quality.



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F. On FINE ARTS articles, the lesser of:

- 1) the reasonable and necessary cost to repair or restore such property to the physical condition that existed on the date of loss.
- 2) cost to replace the article.
- 3) the value, if any, stated on a schedule on file with the Company.

In the event a Fine Arts article is part of a pair or set, and a physically damaged article cannot be replaced, or repaired or restored to the condition that existed immediately prior to the loss, the Company will be liable for the lesser of the full value of such pair or set or the amount designated on the schedule. The Insured agrees to surrender the pair or set to the Company.

G. On property covered under DATA, PROGRAMS OR SOFTWARE:

- 1) The cost to repair, replace or restore data, programs or software including the costs to recreate, research and engineer;
- 2) If not repaired, replaced or restored within two years from the date of loss, the blank value of the media.

H. On VALUABLE PAPERS AND RECORDS, the lesser of the following:

- 1) The cost to repair or restore the item to the condition that existed immediately prior to the loss.
- 2) The cost to replace the item.
- 3) The amount designated for the item on the schedule on file with the Company.

I. On property in transit:

- 1) Property shipped to or for the account of the Insured will be valued at actual invoice to the Insured. Included in the value are accrued costs and charges legally due. Charges may include the Insured's commission as selling agent.
- 2) Property sold by the Insured and shipped to or for the purchaser's account will be valued at the Insured's selling invoice amount. Prepaid or advanced freight costs are included.
- 3) Property not under invoice will be valued:
  - a) for property of the Insured, at the valuation provisions of this Policy applying at the location from which the property is being transported; or
  - b) for other property, at the actual cash market value at the destination point on the date of occurrence,



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less any charges saved which would have become due and payable upon arrival at destination.

- J. On property that is damaged by fire and such fire is the result of Terrorism, the Actual Cash Value of the fire damage loss. Any remaining fire damage loss shall be adjusted according to the terms and conditions of the VALUATION clause in this section of the Policy and shall be subject to the limit(s) of liability for TERRORISM and NON CERTIFIED ACT OF TERRORISM as shown in the LIMITS OF LIABILITY clause in the DECLARATIONS section.
- K. On all other property, the loss amount will not exceed the lesser of the following:
- 1) The cost to repair.
  - 2) The cost to rebuild or replace on the same site with new materials of like size, kind and quality.
  - 3) The cost in rebuilding, repairing or replacing on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss.
  - 4) The selling price of real property or machinery and equipment, other than stock, offered for sale on the date of loss.
  - 5) The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement.
  - 6) The increased cost of demolition, if any, resulting from loss covered by this Policy, if such property is scheduled for demolition.
  - 7) The unamortized value of improvements and betterments, if such property is not repaired or replaced at the Insured's expense.
  - 8) The Actual Cash Value if such property is:
    - a) useless to the Insured; or
    - b) not repaired, replaced or rebuilt on the same or another site within two years from the date of loss.

The Insured may elect not to repair or replace the insured real and/or personal property lost, damaged or destroyed. Loss settlement may be elected on the lesser of repair or replacement cost basis if the proceeds of such loss settlement are expended on other capital expenditures related to the Insured's operations within two years from the date of loss. As a condition of collecting under this item, such expenditure must be unplanned as of the date of loss and be made at an Insured Location under this Policy. This item does not extend to DEMOLITION AND INCREASED COST OF CONSTRUCTION.



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References and Application. The following term(s) wherever used in this Policy means:

a) Actual Cash Value:

The amount it would cost to repair or replace insured property, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.

#### 4. LOSS CONDITIONS

##### A. REQUIREMENTS IN CASE OF LOSS

The Insured will:

- 1) give immediate written notice to the Company of any loss.
- 2) protect the property from further loss or damage.
- 3) promptly separate the damaged and undamaged property; put it in the best possible order; and furnish a complete inventory of the lost, destroyed, damaged and undamaged property showing in detail the quantities, costs, Actual Cash Value, replacement value and amount of loss claimed.
- 4) give a signed and sworn proof of loss to the Company within 90 days after the loss, unless that time is extended in writing by the Company. The proof of loss must state the knowledge and belief of the Insured as to:
  - a) the time and origin of the loss.
  - b) the Insured's interest and that of all others in the property.
  - c) the Actual Cash Value and replacement value of each item and the amount of loss to each item; all encumbrances; and all other contracts of insurance, whether valid or not, covering any of the property.
  - d) any changes in the title, use, occupation, location, possession or exposures of the property since the effective date of this Policy.
  - e) by whom and for what purpose any location insured by this Policy was occupied on the date of loss, and whether or not it then stood on leased ground.
- 5) include a copy of all the descriptions and schedules in all policies and, if required, provide verified plans and specifications of any buildings, fixtures, machinery or equipment destroyed or damaged.
- 6) further, the Insured, will as often as may be reasonably required:
  - a) exhibit to any person designated by the Company all that remains of any property;



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- b) submit to examination under oath by any person designated by the Company and sign the written records of examinations; and
- c) produce for examination at the request of the Company:
  - (i) all books of accounts, business records, bills, invoices and other vouchers; or
  - (ii) certified copies if originals are lost,

at such reasonable times and places that may be designated by the Company or its representative and permit extracts and machine copies to be made.

#### **B. COMPANY OPTION**

The Company has the option to take all or any part of damaged property at the agreed or appraised value. The Company must give notice to the Insured of its intention to do so within 30 days after receipt of proof of loss.

#### **C. ABANDONMENT**

There may be no abandonment of any property to the Company.

#### **D. SUBROGATION**

The Insured is required to cooperate in any subrogation proceedings. The Company may require from the Insured an assignment or other transfer of all rights of recovery against any party for loss to the extent of the Company's payment.

The Company will not acquire any rights of recovery that the Insured has expressly waived prior to a loss, nor will such waiver affect the Insured's rights under this Policy.

Any recovery from subrogation proceedings, less costs incurred by the Company in such proceedings, will be payable to the Insured in the proportion that the amount of:

- 1) any applicable deductible; and/or
  - 2) any provable uninsured loss,
- bears to the entire provable loss amount.

#### **E. APPRAISAL**

If the Insured and the Company fail to agree on the amount of loss, each will, on the written demand of either, select a competent and disinterested appraiser after:

- 1) the Insured has fully complied with all provisions of this Policy, including REQUIREMENTS IN CASE OF LOSS; and





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- 2) the Company has received a signed and sworn proof of loss from the Insured.

Each will notify the other of the appraiser selected within 20 days of such demand.

The appraisers will first select a competent and disinterested umpire. If the appraisers fail to agree upon an umpire within 30 days then, on the request of the Insured or the Company, the umpire will be selected by a judge of a court of record in the jurisdiction in which the appraisal is pending. The appraisers will then appraise the amount of loss, stating separately the Actual Cash Value and replacement cost value as of the date of loss and the amount of loss, for each item of physical loss or damage or if, for TIME ELEMENT loss, the amount of loss for each TIME ELEMENT coverage of this Policy.

If the appraisers fail to agree, they will submit their differences to the umpire. An award agreed to in writing by any two will determine the amount of loss.

The Insured and the Company will each:

- 1) pay its chosen appraiser; and
- 2) bear equally the other expenses of the appraisal and umpire.

A demand for APPRAISAL shall not relieve the Insured of its continuing obligation to comply with the terms and conditions of this Policy, including as provided under REQUIREMENTS IN CASE OF LOSS.

The Company will not be held to have waived any of its rights by any act relating to appraisal.

#### **F. SUIT AGAINST THE COMPANY**

No suit, action or proceeding for the recovery of any claim will be sustained in any court of law or equity unless:

- 1) the Insured has fully complied with all the provisions of this Policy; and
- 2) legal action is started within twelve months after inception of the loss.

If under the insurance laws of the jurisdiction in which the property is located, such twelve months' limitation is invalid, then any such legal action needs to be started within the shortest limit of time permitted by such laws.

#### **5. SETTLEMENT OF CLAIMS**

The amount of loss, except for ACCOUNTS RECEIVABLE coverage, for which the Company may be liable will be paid within 30 days after:

- A. proof of loss as described in this Policy is received by the Company; and
- B. when a resolution of the amount of loss is made either by:



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- 1) written agreement between the Insured and the Company; or
- 2) the filing with the Company of an award as provided in the APPRAISAL clause of this section.

#### **6. COLLECTION FROM OTHERS**

The Company will not be liable for any loss to the extent that the Insured has collected for such loss from others.

#### **7. PARTIAL PAYMENT OF LOSS SETTLEMENT**

In the event of a loss occurring which has been ascertained to be insured loss or damage under this Policy and determined by the Company's representatives to be in excess of the applicable Policy deductible, the Company will advance mutually agreed upon partial payment(s) on the insured loss or damage, subject to the Policy's provisions. To obtain said partial payments, the Insured will submit a signed and sworn Proof of Loss as described in this Policy, with adequate supporting documentation.





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## GENERAL PROVISIONS - SECTION E

### 1. ADDITIONAL INSURABLE INTERESTS/CERTIFICATES OF INSURANCE

Additional insured interests are automatically added to this Policy as their interest may appear when named as additional named insured, lender, mortgagee and/or loss payee in the Certificates of Insurance on a schedule on file with the Company. Such interests become effective on the date shown in the Certificate of Insurance and will not amend, extend or alter the terms, conditions, provisions and limits of this Policy.

### 2. CANCELLATION/NON-RENEWAL

This Policy may be:

- A. cancelled at any time at the request of the Insured by surrendering this Policy to the Company or by giving written notice to the Company stating when such cancellation will take effect; or
- B. cancelled by the Company by giving the Insured not less than:
  - 1) 60 days' written notice of cancellation; or
  - 2) 10 days' written notice of cancellation if the Insured fails to remit, when due, payment of premium for this Policy; or
- C. non-renewed by the Company by giving the Insured not less than 60 days' written notice of non-renewal.

Return of any unearned premium will be calculated on the customary short rate basis if the Insured cancels and on a pro-rata basis if the Company cancels this Policy. Return of any unearned premium will be made by the Company as soon as practicable.

### 3. INSPECTIONS

The Company, at all reasonable times, will be permitted, but will not have the duty, to inspect insured property.

The Company's:

- A. right to make inspections;
- B. making of inspections; or
- C. analysis, advice or inspection report,

will not constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that the insured property is safe or healthful. This Company will have no liability to the Insured or any other person because of any inspection or failure to inspect.



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When the Company is not providing jurisdictional inspections, the Owner/Operator has the responsibility to assure that jurisdictional inspections are performed as required, and to assure that required jurisdictional Operating Certificates are current for their pressure equipment.

#### 4. PROVISIONS APPLICABLE TO SPECIFIC JURISDICTIONS

- A. If the provisions of this Policy conflict with the laws of any jurisdictions in which this Policy applies, and if certain provisions are required by law to be stated in this Policy, this Policy will be read so as to eliminate such conflict or deemed to include such provisions for Insured Locations within such jurisdictions.
- B. The Company will provide to the Insured copies of endorsements mandated for use by the laws of states in the United States of America. The endorsements modify this Policy with respect to any insured property located in the state in which the endorsement applies.
- C. As respects the United States, its territories and possessions and the Commonwealth of Puerto Rico any recovery under this Policy for any insured loss or damage from acts of terrorism, as covered under this Policy, may be partially reimbursed by the United States Government in accordance with the Terrorism Risk Insurance Act of 2002. Reimbursement by the United States Government will be under a formula established by Federal Law.

#### 5. LIBERALIZATION

If during the period that insurance is in force under this Policy, any filed rules or regulations affecting the same are revised by statute so as to broaden the insurance without additional premium charge, such extended or broadened insurance will inure to the benefit of the Insured within such jurisdiction, effective the date of the change specified in such statute.

#### 6. MISREPRESENTATION AND FRAUD

This entire Policy will be void if, whether before or after a loss, an Insured has:

- A. willfully concealed or misrepresented any material fact or circumstance concerning this insurance, the subject thereof, any insurance claim, or the interest of an Insured.
- B. made any attempt to defraud the Company.
- C. made any false swearing.

#### 7. LENDERS LOSS PAYEE AND MORTGAGEE INTERESTS AND OBLIGATIONS

- A. The Company will pay for loss to specified property insured under this Policy to each specified Lender Loss Payee (hereinafter referred to as Lender) as its interest may appear, and to each specified Mortgagee as its interest may appear, under all present or future mortgages upon such property, in order of precedence of the mortgages.
- B. The interest of the Lender or Mortgagee (as the case may be) in property insured under this Policy will not be invalidated by:



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- 1) any act or neglect of the debtor, mortgagor, or owner (as the case may be) of the property.
- 2) foreclosure, notice of sale, or similar proceedings with respect to the property.
- 3) change in the title or ownership of the property.
- 4) change to a more hazardous occupancy.

The Lender or Mortgagee will notify the Company of any known change in ownership, occupancy, or hazard and, within 10 days of written request by the Company, may pay the increased premium associated with such known change. If the Lender or Mortgagee fails to pay the increased premium, all coverage under this Policy will cease.

- C. If this Policy is cancelled at the request of the Insured or its agent, the coverage for the interest of the Lender or Mortgagee will terminate 10 days after the Company sends to the Lender or Mortgagee written notice of cancellation, unless:
  - 1) sooner terminated by authorization, consent, approval, acceptance, or ratification of the Insured's action by the Lender or Mortgagee, or its agent.
  - 2) this Policy is replaced by the Insured, with a policy providing coverage for the interest of the Lender or Mortgagee, in which event coverage under this Policy with respect to such interest will terminate as of the effective date of the replacement policy, notwithstanding any other provision of this Policy.
- D. The Company may cancel this Policy and/or the interest of the Lender or Mortgagee under this Policy, by giving the Lender or Mortgagee written notice 60 days prior to the effective date of cancellation, if cancellation is for any reason other than non-payment. If the debtor, mortgagor, or owner has failed to pay any premium due under this Policy, the Company may cancel this Policy for such non-payment, but will give the Lender or Mortgagee written notice 10 days prior to the effective date of cancellation. If the Lender or Mortgagee fails to pay the premium due by the specified cancellation date, all coverage under this Policy will cease.
- E. The Company has the right to invoke this Policy's SUSPENSION clause. The suspension of insurance will apply to the interest of the Lender or Mortgagee in any machine, vessel, or part of any machine or vessel, subject to the suspension. The Company will provide the Lender or Mortgagee at the last known address a copy of the suspension notice.
- F. If the Company pays the Lender or Mortgagee for any loss, and denies payment to the debtor, mortgagor or owner, the Company will, to the extent of the payment made to the Lender or Mortgagee be subrogated to the rights of the Lender or Mortgagee under all securities held as collateral to the debt or mortgage. No subrogation will impair the right of the Lender or Mortgagee to sue or recover the full amount of its claim. At its option, the Company may pay to the Lender or Mortgagee the whole principal due on the debt or mortgage plus any accrued interest. In this event, all rights and securities will be assigned and transferred from the Lender or Mortgagee to the Company, and the remaining debt or mortgage will be paid to the Company.



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- G. If the Insured fails to render proof of loss, the Lender or Mortgagee, upon notice of the Insured's failure to do so, will render proof of loss within 60 days of notice and will be subject to the provisions of this Policy relating to APPRAISAL, SETTLEMENT OF CLAIMS, and SUIT AGAINST THE COMPANY.
- H. Other provisions relating to the interests and obligations of the Lender or Mortgagee may be added to this Policy by agreement in writing.

## 8. OTHER INSURANCE

- A. If there is any other insurance that would apply in the absence of this Policy, this Policy will apply only after such insurance whether collectible or not.
- B. In no event will this Policy apply as contributing insurance.
- C. The Insured is permitted to have other insurance over any limits or sublimits of liability specified elsewhere in this Policy without prejudice to this Policy. The existence of any such insurance will not reduce any limit or sublimit of liability in this Policy. Any other insurance that would have provided primary coverage in the absence of this Policy will not be considered excess.
- D. The Insured is permitted to have other insurance for all, or any part, of any deductible in this Policy. The existence of such other insurance will not prejudice recovery under this Policy. If the limits of liability of such other insurance are greater than this Policy's applicable deductible, this Policy's insurance will apply only after such other insurance has been exhausted.
- E. In the event this Policy is deemed to contribute with other insurance, the limit of liability applicable at each Location, for purposes of such contribution with other insurers, will be the latest amount described in this Policy or the latest Location value on file with the Company.
- F. When this Policy includes property in more than one jurisdiction, separate policies underlying this Policy may be issued by the Company in compliance with jurisdictional requirements. Such underlying policies will not be considered as additional insurance, but as duplicate insurance only.

## 9. POLICY MODIFICATION

This Policy contains all of the agreements between the Insured and the Company concerning this insurance. The Insured and the Company may request changes to this Policy. This Policy can be changed only by endorsements issued by the Company and made a part of this Policy.

Notice to any agent or knowledge possessed by any agent or by any other person will not:

- A. create a waiver, or change any part of this Policy; or
- B. prevent the Company from asserting any rights under the provisions of this Policy.





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#### 10. REDUCTION BY LOSS

Claims paid under this Policy will not reduce its' limit of liability, except claims paid will reduce any Policy Year Aggregate Limit of Liability.

#### 11. SUSPENSION

On discovery of a dangerous condition, the Company may immediately suspend this insurance on any machine, vessel or part thereof by giving written notice to the Insured. The suspended insurance may be reinstated by the Company. Any unearned premium resulting from such suspension will be returned by the Company.

#### 12. TITLES

The titles in this Policy are only for reference. The titles do not in any way affect the provisions of this Policy.

#### 13. REFERENCES AND APPLICATION

The following term(s) wherever used in this Policy means:

1. Boiler and Machinery:

A. Physical loss or damage both originating within:

1. Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, owned, operated, or controlled by the Insured, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:
  - (a) waste disposal piping;
  - (b) any piping forming part of a fire protective system;
  - (c) furnaces; and
  - (d) any water piping other than:
    - (1) boiler feed water piping between the feed pump or injector and the boiler;
    - (2) boiler condensate return piping; or
    - (3) water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes

2. All mechanical, electrical, electronic or fiber optic equipment;

B. And caused by, resulting from, or consisting of:

1. Mechanical breakdown; or



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2. Electrical or electronic breakdown, or
3. Extremes or changes of temperature; or
4. Rupture, bursting, bulging, implosion, or steam explosion.

Boiler and Machinery as used in this Policy will not mean:

Physical loss or damage caused by or resulting from any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

1. Combustion explosions, except from within combustion gas turbines; or
2. Explosions from liquids coming in contact with molten materials; or
3. Accidental discharge, escape, leakage, back-up, or overflow to the open of any material from confinement within piping, plumbing systems, or tanks except from property described in item A.1 above; or
4. Fire, or from the use of water or other means to extinguish a fire.





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**SCHEDULE OF LOCATIONS, APPENDIX A**

<u>Location No.</u>	<u>Index No.</u>	<u>Location Description</u>
1	021339.40	360 Park Avenue South New York, New York 10010 ✓  Coverage at this location does not include:  Personal Property Business Interruption  The foregoing are subject to the terms, conditions, provisions and stipulations set forth in this policy.
2	021331.10	434-456 West 56 <sup>th</sup> Street, 441-453 West 56 <sup>th</sup> Street, ✓ 850 10 <sup>th</sup> Tenth Street New York, New York 10019  Coverage at this location does not include:  Personal Property Business Interruption  The foregoing are subject to the terms, conditions, provisions and stipulations set forth in this policy.
3	021350.49	132 West 125 <sup>th</sup> Street New York, New York 10027 ✓  Coverage at this location does not include:  Personal Property Business Interruption  The foregoing are subject to the terms, conditions, provisions and stipulations set forth in this policy.



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**SCHEDULE OF LOCATIONS, APPENDIX A**

<u>Location No.</u>	<u>Index No.</u>	<u>Location Description</u>
6	074750.32	<p>"MALL DE LAS AGUILAS" 455 South Bibb Street Eagle Pass, Texas 78852 (Maverick County) ✓</p> <p>Coverage at this location does not include:</p> <p>Business Interruption</p> <p>The foregoing are subject to the terms, conditions, provisions and stipulations set forth in this policy.</p>
9	074100.21	<p>"SHER-DEN MALL" Whataburger and Grandy's 3201 Texoma Parkway, 3301 Highway 75 North Sherman, Texas 75090 (Grayson County) ✓</p> <p>Coverage at this location does not include:</p> <p>Vacant and idle buildings at this location</p>
10	021373.30	<p>475 5<sup>th</sup> Fifth Avenue 12<sup>th</sup> Floor New York, New York 10017 ✓</p> <p>Coverage at this location does not include:</p> <p>Real Property Rental Insurance</p> <p>The foregoing are subject to the terms, conditions, provisions and stipulations set forth in this policy.</p>



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### SCHEDULE OF LOCATIONS, APPENDIX A

<u>Location No.</u>	<u>Index No.</u>	<u>Location Description</u>
11	021381.21	<p>450 West 31<sup>st</sup> Street New York, New York 10001 ✓</p> <p>Coverage at this location does not include:</p> <p>Personal Property Business Interruption</p> <p>The foregoing are subject to the terms, conditions, provisions and stipulations set forth in this policy.</p>
12	073515.06	<p>"SOUTH SHIELDS PLAZA" 7333 South Shields Boulevard ✓ Oklahoma City, Oklahoma 73149</p> <p>Coverage at this location does not include;</p> <p>Personal Property Business Interruption</p> <p>The foregoing are subject to the terms, conditions, provisions and stipulations set forth in this policy.</p>
13	000695.08	<p>3801 PGA Boulevard Palm Beach Gardens, Florida 33410-2758 ✓</p> <p>Coverage at this location does not include;</p> <p>Personal Property</p> <p>The foregoing are subject to the terms, conditions, provisions and stipulations set forth in this policy.</p>



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## NEW MADRID SEISMIC ZONE, APPENDIX B

### Arkansas, counties of:

Arkansas, Ashley, Chicot, Clay, Craighead, Crittenden, Cross, Desha, Drew, Fulton, Grant, Greene, Independence, Izard, Jackson, Jefferson, Lawrence, Lee, Lincoln, Lonoke, Mississippi, Monroe, Phillips, Poinsett, Prairie, Pulaski, Randolph, Saline, Sharp, St. Francis, White, Woodruff

### Illinois, counties of:

Alexander, Bond, Calhoun, Christian, Clark, Clay, Clinton, Coles, Crawford, Cumberland, Edwards, Effingham, Fayette, Franklin, Gallatin, Greene, Hamilton, Hardin, Jackson, Jasper, Jefferson, Jersey, Johnson, Lawrence, Macoupin, Madison, Marion, Massac, Monroe, Montgomery, Morgan, Perry, Pike, Pope, Pulaski, Randolph, Richland, Saline, Sangamon, Scott, Shelby, St. Clair, Union, Wabash, Washington, Wayne, White, Williamson

### Indiana, counties of:

Crawford, Daviess, Dubois, Gibson, Greene, Knox, Lawrence, Martin, Orange, Perry, Pike, Posey, Spencer, Sullivan, Vanderburgh, Warrick

### Kentucky, counties of:

Ballard, Breckinridge, Butler, Caldwell, Calloway, Carlisle, Christian, Crittenden, Daviess, Fulton, Graves, Hancock, Henderson, Hickman, Hopkins, Livingston, Logan, Lyon, Marshall, McCracken, McLean, Muhlenberg, Ohio, Simpson, Todd, Trigg, Union, Warren, Webster

### Mississippi, counties of:

Alcorn, Benton, Bolivar, Calhoun, Carroll, Chickasaw, Choctaw, Clay, Coahoma, De Soto, Grenada, Holmes, Humphreys, Issaquena, Itawamba, Lafayette, Lee, Leflore, Lowndes, Marshall, Monroe, Montgomery, Oktibbeha, Panola, Pontotoc, Prentiss, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tippah, Tishomingo, Tunica, Union, Warren, Washington, Webster, Yalobusha, Yazoo

### Missouri, counties of:

Audrain, Bollinger, Butler, Callaway, Cape Girardeau, Carter, Cole, Crawford, Dent, Dunklin, Franklin, Gasconade, Howell, Iron, Jefferson, Lincoln, Madison, Maries, Marion, Miller, Mississippi, Montgomery, New Madrid, Oregon, Osage, Pemiscot, Perry, Phelps, Pike, Pulaski, Ralls, Reynolds, Ripley, Scott, Shannon, St. Charles, St. Francois, St. Louis, St. Louis City, Ste. Genevieve, Stoddard, Texas, Warren, Washington, Wayne

### Tennessee, counties of:

Benton, Carroll, Cheatham, Chester, Crockett, Decatur, Dickson, Dyer, Fayette, Gibson, Hardeman, Hardin, Haywood, Henderson, Henry, Hickman, Houston, Humphreys, Lake, Lauderdale, Lawrence, Lewis, Madison, McNairy, Montgomery, Obion, Perry, Robertson, Shelby, Stewart, Tipton, Wayne, Weakley





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**PACIFIC NORTHWEST SEISMIC ZONE, APPENDIX C**

**Washington, counties of:**

Clallam, Grays Harbor, Island, Jefferson, King, Kitsap, Lewis, Mason, Pierce, Skagit, Snohomish, Thurston, Whatcom

**Vancouver, British Columbia and the following suburbs of Vancouver, British Columbia:**

Abbotsford, Burnaby, Coquitlam, Langley, Maple Ridge, Mission, New Westminster, Pitt Meadows, Port Coquitlam, Port Moody, Richmond, Surrey



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## HIGH HAZARD ZONES FOR WIND, APPENDIX D

### Tier I Listing

#### Alabama, counties of:

Baldwin and Mobile

#### Florida:

All counties.

#### Georgia, counties of:

Brantley, Bryan, Camden, Chatham, Charlton, Effingham, Glynn, Liberty, Long, McIntosh and Wayne

#### Hawaii:

Entire state

#### Louisiana, parishes of:

Acadia, Ascension, Assumption, Cameron, Calcasieu, East Baton Rouge, Iberia, Iberville, Jefferson, Jefferson Davis, Lafayette, Lafourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Martin (northern part), St. Mary, St. Tammany, St. Martin (southern part), Tangipahoa, Terrebonne, Vermilion, Washington and West Baton Rouge

#### Mississippi, counties of:

George, Hancock, Harrison, Jackson, Pearl River and Stone

#### North Carolina, counties of:

Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Duplin, Gates, Hertford, Hyde, Jones, Lenoir, Martin, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Tyrrell and Washington

#### South Carolina, counties of:

Beaufort, Berkeley, Charleston, Colleton, Dorchester, Georgetown, Horry, Jasper and Williamsburg

#### Texas, counties of:

Aransas, Bee, Brazoria, Brooks Calhoun, Cameron, Chambers, Fort Bend, Galveston, Goliad, Hardin, Harris, Hidalgo, Jackson, Jasper, Jefferson, Jim Wells, Kenedy, Kleberg, Liberty, Matagorda, Newton, Nueces, Orange, Refugio, San Patricio, Victoria, Wharton and Willacy



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## HIGH HAZARD ZONES FOR WIND, APPENDIX D

### Tier II Listing

#### Connecticut, counties of:

Fairfield, Middlesex, New Haven and New London

#### Delaware, county of:

Sussex

#### Maine, counties of:

Androscoggin, Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, Washington and York

#### Maryland, counties of:

Calvert, Charles, Dorchester, St. Mary's, Somerset, Wicomico and Worcester

#### Massachusetts, counties of:

Barnstable, Bristol, Dukes, Nantucket, Norfolk, Plymouth and Suffolk

#### New Hampshire, counties of:

Rockingham and Strafford

#### New Jersey, counties of:

Atlantic, Bergen, Cape May, Cumberland, Essex, Hudson, Middlesex, Monmouth, Ocean and Union

#### New York, counties of:

Bronx, Kings, Nassau, New York, Queens, Richmond, Suffolk and Westchester

#### Rhode Island, counties of:

Bristol, Kent, Newport, Providence and Washington and Block Island

#### Virginia, counties of:

Accomack, Gloucester, Isle of Wight, James City, Lancaster, Mathews, Middlesex, Northampton, Northumberland, Surry, and York, and the independent cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg

Account No. 1-30033  
Policy No. NC004

**This endorsement is applicable to Locations in the State of New York and remains in effect until December 31, 2005**

**SUPPLEMENTAL UNITED STATES  
CERTIFIED ACT OF TERRORISM ENDORSEMENT**

**Coverage for "Certified Act of Terrorism" Under The Terrorism Risk Insurance Act of 2002**

In consideration of an additional premium charged of USD\$1 pro rated premium from the Policy's inception date through December 31, 2005 (Annual premium of USD\$1), this Policy, subject to the terms and conditions therein and in this Endorsement, covers direct physical loss or damage to insured property and any resulting TIME ELEMENT loss, as provided in the TIME ELEMENT section of the Policy, caused by or resulting from a Certified Act of Terrorism as defined herein.

Notwithstanding anything contained elsewhere in this Policy, any exclusion or limitation of terrorism in this Policy or any endorsement attached to and made a part of this Policy, is hereby amended to the effect that such exclusion or limitation does not apply to a "Certified Act of Terrorism" as defined herein.

With respect to any one or more Certified Act(s) of Terrorism, this Company will not pay any amounts for which the Company is not responsible under the terms of the Terrorism Risk Insurance Act of 2002 (including subsequent action of Congress pursuant to the Act).

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, does not serve to create coverage for any loss which would otherwise be excluded under this endorsement or the Policy.

The coverage provided under this Endorsement for "Certified" losses caused by acts of terrorism will be partially reimbursed by the United States Government under a formula established by Federal Law. Under this formula, the United States pays 90% of covered terrorism losses exceeding a statutorily established retention by the insurer referenced in this Policy. The Premium charged for this coverage is provided above.

The coverage provided by this endorsement only applies to a Certified Act of Terrorism.

Reference and Application: The following term(s) means:

**Certified Act of Terrorism:**

A "Certified Act of Terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" include the following:

- a. The act resulted in aggregate losses in excess of \$5,000,000; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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**This endorsement is applicable to all Locations in the United States (except in the State of New York), its territories and possessions and Puerto Rico**

**SUPPLEMENTAL UNITED STATES  
CERTIFIED ACT OF TERRORISM ENDORSEMENT**

**Coverage for "Certified Act of Terrorism" Under The Terrorism Risk Insurance Act of 2002**

In consideration of a premium charged of USD\$28,465 pro rated premium from the Policy's inception date through December 31, 2005 (Annual premium of USD\$31,200), this Policy, subject to the terms and conditions therein and in this Endorsement, covers direct physical loss or damage to insured property and any resulting TIME ELEMENT loss, as provided in the TIME ELEMENT section of the Policy, caused by or resulting from a Certified Act of Terrorism as defined herein.

It is agreed that the coverage provided by this Endorsement shall expire 31 December 2005 simultaneously with the expiration of the Terrorism Risk Insurance Act of 2002 unless the Terrorism Risk Insurance Act of 2002 as originally enacted is extended by an Act of the United States Congress. In that event, coverage under this Endorsement will expire on the earliest of the expiration or cancellation date of the Policy to which it is attached or the revised expiration date of the United States Terrorism Risk Insurance Act of 2002. It is further agreed that an additional pro-rata premium will be due upon any extension of coverage.

Notwithstanding anything contained elsewhere in this Policy, any exclusion or limitation of terrorism in this Policy and any endorsement attached to and made a part of this Policy, is hereby amended to the effect that such exclusion or limitation does not apply to a "Certified Act of Terrorism" as defined herein.

This amendment does not apply to any limit of liability for a Certified Act of Terrorism, if any, stated under the LIMITS OF LIABILITY clause of the DECLARATIONS section of this Policy. Nor does the coverage provided by this Endorsement insure any TIME ELEMENT loss as provided in the TIME ELEMENT section of this Policy for more than the number of months shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section of this Policy.

With respect to any one or more Certified Act(s) of Terrorism, this Company will not pay any amounts for which the Company is not responsible under the terms of the Terrorism Risk Insurance Act of 2002 (including subsequent action of Congress pursuant to the Act).

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Endorsement or the Policy.

The coverage provided under this Endorsement for "Certified" losses caused by acts of terrorism will be partially reimbursed by the United States Government under a formula established by Federal Law. Under this formula, the United States pays 90% of covered terrorism losses exceeding a statutorily established retention by the insurer referenced in this Policy. The premium charged for this coverage is provided above.

The coverage provided by this Endorsement only applies to a Certified Act of Terrorism.

Reference and Application: The following term(s) means:

Certified Act of Terrorism:

A "Certified Act of Terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "Certified Act of Terrorism" include the following:

- a. The act resulted in aggregate losses in excess of \$5,000,000; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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**This endorsement is applicable to Locations in the State of New York and remains in effect until December 31, 2005**

**SUPPLEMENTAL UNITED STATES  
NON CERTIFIED ACT OF TERRORISM ENDORSEMENT**

**Coverage for "Non Certified Act(s) of Terrorism".**

With respect to Locations in the United States, its territories and possessions and Puerto Rico, the definition of a "Non Certified Act of Terrorism" contained in this endorsement will apply in place of the definition of Terrorism contained in Terrorism Exclusion, item B.2)f) of the Policy.

Multiple acts of terrorism which occur within a 72 hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one act.

The coverage afforded by this endorsement and any other Terrorism coverage provided in the Policy are mutually exclusive, and any coverage provided by this endorsement and any other Terrorism coverage provided in the Policy do not apply to the same act and are not additive.

Coverage under this endorsement does not apply to any element of loss or damage that is otherwise excluded under this Policy.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Endorsement or the Policy.

Reference and Application: The following term(s) means:

**Non Certified Act of Terrorism**

A "Non Certified Act of Terrorism" means an act that involves a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appear to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion and the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act of 2002.

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**This endorsement applies to all Locations in the United States (except in the State of New York), its territories and possessions and Puerto Rico**

**SUPPLEMENTAL UNITED STATES  
NON CERTIFIED ACT OF TERRORISM ENDORSEMENT**

**Coverage for "Non Certified Act(s) of Terrorism".**

With respect to Locations in the United States, its territories and possessions and Puerto Rico, the definition of a "Non Certified Act of Terrorism" contained in this Endorsement will apply in place of the definition of Terrorism contained in the Terrorism exclusion, item B.2)f) under the EXCLUSIONS clause in the PROPERTY DAMAGE section of the Policy.

It is agreed that the coverage provided by this Endorsement shall expire 31 December 2005 simultaneously with the expiration of the Terrorism Risk Insurance Act of 2002 unless the Terrorism Risk Insurance Act of 2002 as originally enacted is extended by an Act of the United States Congress. In that event, coverage under this Endorsement will expire on the earliest of the expiration or cancellation date of the Policy to which it is attached or the revised expiration date of the United States Terrorism Risk Insurance Act of 2002. It is further agreed that an additional pro-rata premium will be due upon any extension of coverage.

Multiple acts of terrorism which occur within a 72 hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one act.

The coverage afforded by this Endorsement and any other Terrorism coverage provided in the Policy are mutually exclusive, and any coverage provided by this Endorsement and any other Terrorism coverage provided in the Policy do not apply to the same act and are not additive.

Coverage under this Endorsement does not apply to any element of loss or damage that is otherwise excluded under this Policy.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Endorsement or the Policy.

Reference and Application: The following term(s) means:

**Non Certified Act of Terrorism**

A "Non Certified Act of Terrorism" means an act that involves a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appear to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion and the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act of 2002.